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21 December 1962

# CURRENT INTELLIGENCE WEEKLY SUMMARY



CENTRAL INTELLIGENCE AGENCY

OFFICE OF CURRENT INTELLIGENCE

State Dept. review  
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## CURRENT INTELLIGENCE WEEKLY SUMMARY

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THE WEEK IN BRIEF  
(Information as of 1200 EST 20 Dec)

## CUBA . . . . . Page 1

There has been no significant reduction during the past week in the Soviet military presence in Cuba. Photography [redacted] reveals a total of 42 MIG-21 jet fighters in Cuba, a higher number than previously observed.

Carlos Rafael Rodriguez, head of a Cuban economic mission in Moscow since 6 December, left there on 19 December. There was no communiqué or any other indication that he had obtained increased Soviet economic support.

## SINO-SOVIET RELATIONS . . . . . Page 3

An avowed and separate dogmatic wing of the international Communist movement under Chinese leadership now is almost a reality. This has not come about as the result of a single, direct action by either the Soviet or Chinese leaders but is rapidly evolving out of the point counterpoint of their argumentation. The recent inflammation of their exchanges and Khrushchev's public intervention in the dispute strongly suggest that Moscow and Peiping both accept the virtual inevitability of an open break in party relations. [redacted]

## SINO-INDIAN BORDER . . . . . Page 6

Diplomatic moves growing out of the recent Colombo conference are serving to prolong the Sino-Indian cease-fire. Although the conference proposals reportedly lean somewhat toward the Indian position, neither New Delhi nor Peiping will find them completely acceptable. Each side will probably avoid rejecting them outright, however, and efforts by the nonaligned states are thus likely to drag on for some time. [redacted]

## CONGO DEVELOPMENTS . . . . . Page 7

Tshombé has agreed to place foreign exchange earned in Katanga by the Union Minière at the disposal of the UN-controlled monetary council in Leopoldville, provided substantial portions are allotted to the mining company and the Katanga regime. Negotiations over the Belgian-sponsored scheme were to begin this week with the Adoula government. The UN, meanwhile, is trying to keep up psychological pressure on Tshombé by military and economic moves. The UN force in the Congo will reach its peak strength soon but will undergo drastic reductions in strength and changes in composition in the next two months. Adoula's parliamentary position remains poor, and his supporters are coming to the conclusion that they will have to recess parliament if he is to stay in office. [redacted]

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## EUROPEAN SATELLITE ECONOMIC INTEGRATION . . . . . Page 10

The program for economic integration of the European satellites has been advanced by organizational developments and personnel assignments which have strengthened the program's institutional framework. The Council for Mutual Economic Assistance (CEMA) has formed an Executive Committee, composed of deputy heads of government of member countries, some of whom have been relieved of other duties to concentrate on CEMA affairs. Indications are that economic cooperation will be given increased impetus at the current meetings of CEMA in Bucharest, involving some diminution of national prerogatives. [REDACTED]

## PUBLIC HEALTH IN EAST GERMANY . . . . . Page 12

Infectious diseases may be more prevalent and serious in East Germany during the next few months than in recent winters. Inadequate public health and sanitation facilities, continuing dietary shortcomings, and a scarcity of qualified doctors pose the main problems confronting the health authorities. [REDACTED]

## DEVELOPMENTS IN SOUTH VIETNAM . . . . . Page 13

Recent Communist military activity has been characterized by more frequent use of larger units, although the Viet Cong continue to undertake primarily small-scale attacks. Shortages of food and medicines are adversely affecting Viet Cong morale in the central highlands. Some equipment of bloc manufacture has been captured from Viet Cong forces in recent engagements, but there is still no evidence that large-scale logistic support is being provided through North Vietnam. [REDACTED]

## RACIAL POLARIZATION IN THE RHODESIAS . . . . . Page 14

Territorial elections in the past few weeks in Northern and Southern Rhodesia are bringing substantial political changes. Northern Rhodesia now has an African legislative majority whose dominant figure probably will be moderate Kenneth Kaunda; his influence and that of the British colonial government should reduce racial friction. However, Southern Rhodesia's Prime Minister Whitehead, an advocate of gradual accommodation to the Africans, was defeated by the right-wing Rhodesian Front, and a period of increased tension, with occasional violence, is probable. The elections also spell the end of the Federation of Rhodesia and Nyasaland as presently constituted. [REDACTED]

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## FRENCH POLITICAL SCENE . . . . . Page 15

The Gaullist Union for the New Republic has moved quickly to monopolize the key positions in the newly elected National Assembly. The non-Communist opposition is still badly disorganized, and the Communist Party is taking advantage of the situation to press for joint action with the Socialists.

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## ITALIAN POLITICS . . . . . Page 18

Premier Fanfani's center-left coalition is under increasing strain as campaigning gets under way for national elections next spring. Fanfani outmaneuvered some of the rightists in his Christian Democratic Party with a minor cabinet reshuffle early this month.

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New threats to the cabinet may arise in mid-January, however, either from disgruntled Christian Democrats or from the Nenni Socialists, on whom the government depends for a parliamentary majority.

## THE SITUATION IN BRAZIL . . . . . Page 19

Hostility between the Goulart government and its internal opponents appears to be increasing. The stability of the administration probably depends to a considerable extent on its ability to weather an impending financial crisis.

SPECIAL ARTICLE

## RECENT TRENDS IN AFRICAN POLITICAL GROUPINGS . . . . . Page 1

The international and regional alignments among West African states are shifting, at least temporarily, to the advantage of the West. Guinea and Mali, members of the radically inclined Casablanca group, have adopted more moderate attitudes in their dealings with the United States and France and have substantially improved relations with neighboring states under more conservative leadership. At the same time, the grouping of the states still under substantial

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French influence--the Afro-Malagasy Union--appears to be thriving, thanks in large part to French support. Maneuvering over alignments and realignments is likely to intensify during the preparations now under way for a conference of African heads of state next spring.

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CUBA

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There has been no significant reduction in the Soviet military presence in Cuba during the past week. The few hundred Soviet personnel who left Cuba [ ] aboard the passenger ship Mikhail Kalinin may have been attached to units serving the strategic missiles and the IL-28s which had been withdrawn from Cuba earlier. Photographic coverage of the four Soviet armored group encampments [ ] showed continuing activity and no signs of withdrawal.

Photography [ ] showed a total of 42 MIG-21 jet fighters at the Cuban military airfields at San Antonio de los Banos and Santa Clara. The highest number of these planes previously observed was 39 [ ]. The MIG-21s almost certainly continue under the exclusive control of Soviet personnel. All 42 aircraft probably reached Cuba before mid-October.

Carlos Rafael Rodriguez, who led an economic delegation from Cuba to the USSR on 5 December, left Moscow on 19 December. Prior to his departure he stated that "the first phase of our negotiations have been completed." The Soviet news agency TASS explained on 19 December that "complete agreement" had been reached on the basic problems of foreign trade. Clearly, the Cuban mission hopes for additional Soviet help to Cuba.

On 15 December, TASS revealed that new multilateral shipping arrangements are being worked out by the Soviet bloc to circumvent any further US moves against the use of Western ships in Cuban trade. Under the new plans, the USSR apparently envisages greater use of bloc ships in trade with Cuba. East Germany, Poland, and Czechoslovakia, which operate the three main satellite merchant fleets, have agreed to form a joint shipping line to carry cargoes to Cuba from West European and British ports. Soviet ships are to handle cargoes from Mediterranean ports. In the event of total suspension of Western shipping to Cuba, the USSR probably would divert as much of its merchant fleet to the Cuba trade as necessary, compensating by chartering Western ships for trade in other areas.

TASS says the USSR has expressed its readiness to "give the necessary aid" if Western shipowners refuse to provide enough tonnage for Cuba's sugar exports. Well over three quarters of Cuba's sugar exports this year were carried in Western vessels, and more than half of Soviet petroleum exports to Cuba were shipped in Western tankers.

There are scattered but persistent indications that

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important political decisions may be impending in Cuba, in reaction to what the leadership regards as humiliations suffered at the hands of the USSR during the crisis period. The French Embassy in Havana has reported rumors of a split in the Cuban leadership between those who would adopt an aggressive "Sino-Albanian" stance and those who favor an equally anti-US but ultranationalistic and nominally non-Communist position.

generally considered among Castro's most dedicated followers-- are agitating for the removal of the veteran Communist leader Juan Marinello as rector of Havana University. They are said to charge that he supported Soviet rather than Cuban interests during the crisis. This could well reflect Castro's own views and could presage the ouster of other veteran Communists who have not adjusted to Castro's leadership.

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There are indications that the 1 January celebrations commemorating the fourth anniversary of Castro's victory are to feature a military parade of record size in Havana. The military parade has become a traditional part of the 1 January celebrations. An especially large parade this time could be designed to impress the Cubans with their own military strength and foster nationalist spirit.

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There have been indications that the university students--

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****SINO-SOVIET RELATIONS**

The desire of the Albanian leadership to be part of an avowed and separate dogmatic wing of the international Communist movement under Chinese leadership now is almost a reality. This has not come about as the result of a single, direct action by the leaders of either of the two camps--as the Albanians requested of the Chinese--but is rapidly evolving out of the point counterpoint of their argumentation. Each side is so deeply committed to the positions it has staked out that any signs of wavering, indecision, or weakness in the face of attack cannot be considered, and every wordy assault calls forth an angry rejoinder.

The dynamics of the Sino-Soviet dispute for leadership make this process difficult to halt once set in motion. Both sides long ago gave up the attempt to influence the other directly. They now are engaged in a longer term effort of proselytism--the USSR trying to hold its followers in line, the Chinese looking for new converts. Within this framework, developments on the international scene play an increasingly significant role, providing the sticks with which to beat one another.

Significantly, both claim that the actions of the other give aid and comfort to their common enemy, "imperialism." During the past week, Pravda has elaborated on the charge contained in Khrushchev's 12 December Supreme Soviet speech that the positions of his adversaries are indistinguishable from those of the most "aggressive, adventurist forces of imperialism." Khrushchev accused the Albanians and Chinese of trying to impose on the bloc "as

provocative a policy as Trotsky pursued in his time." In an editorial of 15 December, Pravda claimed that the Albanians and "those spurring them on" have evidently lost faith in the possibility of socialism without war.

On 17 December, Pravda summarized the resolutions and decisions reached by the French Communist Party at its recent central committee meeting. These condemned the "Chinese comrades" for their failure to follow the Soviet lead in a long list of policy positions. The strong and unambiguous language used has been topped recently only by Thorez' speech to the meeting. On 19 December, Pravda published extensive excerpts from the speech as well, including Thorez' charge that the Chinese "have gradually embarked on subversive activities directed at bringing about a schism in the international workers movement."

The recent inflammation of the dispute stems from the Chinese attacks on Khrushchev's policy toward Cuba and his refusal to support the Chinese in their border war with India. The Chinese saw in Khrushchev's setback an opportunity to prove the correctness of their own policies and to capitalize on the disappointment and even disapproval of other Communists. The Soviet response--pursued through four recent non-Soviet Communist Party congresses, Khrushchev's speech, and Pravda's criticisms--has been to defend the ideological correctness of agreeing to mutual compromises with the imperialists and to turn to the offensive against the Chinese by identifying them more

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closely with the dissident Albanians.

In their extensive counter to this thrust, the Chinese have continued to denounce the USSR on the issues where they consider it to be most vulnerable. The 6,500-word editorial in People's Daily on 15 December contained a ringing denunciation of Moscow's "capitulationism" in Cuba and its un-Marxist posture of neutrality in the Sino-Indian border dispute. The Chinese made it clear that they would continue opposing Soviet initiatives to seek "sensible compromises" with the US, to promote rapprochement with "that renegade to Communism, Tito," and to subvert the position of the Albanian leaders.

This exchange of charges and Khrushchev's public intervention in the dispute strongly suggest that Moscow and Peiping both accept the virtual inevitability of an open break in party relations. Each side appears engaged therefore in efforts to prove that the other is at fault, and to warn the other of the dangers of "unity" that exist. This was the burden of the Chinese statement handed to the Czech party congress on 8 December and published by Peiping on 14 December.

The statement acknowledged that the issue of Chinese support for Albania had put the bloc "along the road toward a split" and warned of Peiping's intention to stand firm even at the risk of "more serious consequences." At the same time, it denied that Albania had initiated the controversy with "a certain fraternal party." On

the contrary, the statement insists that those who first attacked the Albanian comrades are responsible for the present disarray in the bloc and will be responsible for the even more serious consequences that will ensue.

The Chinese statement and the editorial that followed have put the burden of the next move on Moscow. The Chinese have indicated that they will not be swayed by the majority opinion which Khrushchev has been able to muster against them from the leaders of other Communist parties. In both documents, Peiping indicated its contempt for these majorities, capping its argument in the 15 December editorial by noting that Lenin and his followers had also been unable to carry a majority with them during the period of the Second International. In their cynical proposal that a new international meeting, such as those held in 1957 and 1960, convene to discuss outstanding problems, the Chinese indicated that they were not really considering discussion but would only accept a reversal of the Soviet positions.

The Chinese may be fortified in their defiance by their knowledge that the USSR has very little leverage, either political or economic, which it can bring to bear against them. China's remaining vulnerabilities to further Soviet economic sanctions are limited largely to supply of petroleum products and spare parts for Soviet-designed equipment. Following the economic sanctions taken by the USSR against China in 1960, Soviet military and technical assistance has practically ceased.

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Apparently acting on their own initiative, the Chinese in 1962 reduced their imports of POL from the Soviet Union to about 1.9 million tons, down 40 percent from the 1961 level. Although Peiping still depended on the Soviet Union for about 30 percent of its total supply of petroleum products in 1962, it should not be too difficult for China to shift to nonbloc sources for this POL. A refusal by Moscow to furnish further equipment or replacement parts for the Soviet-designed plants in China would add to long-range problems in the technically advanced industries, but the Chinese have been shopping Western markets for industrial equipment and complete plants, and should be better prepared now than they were earlier to react to a possible trade rupture with the Soviets.

The Chinese may have to deal with this problem sooner than they thought. The Soviet trade mission in Shanghai was reported on 19 December to be leaving that city. Members of the mission have been packing their files and personal belongings for the past several days. This action follows the closing of the Soviet consulates in China last fall.

Soviet political pressure against the Chinese has also been less than a huge success. The USSR has been trying for three years to isolate the Chinese completely, but the results of each of its efforts have been a small net gain in Chinese supporters. The most dramatic example over the last year is the adherence of the North Korean party to the Chinese side. North Korea's 10-14 December plenum

communiqué was a strong affirmation of the correctness of the Chinese views on how to deal with "imperialism." In addition, Pyongyang's party newspaper Nodong Sinmun reiterated its pro-Chinese positions in an article on 17 December.

While the Soviet Union grapples with the problem posed by China's intransigence and challenge, it appears unwilling to make any major new moves on East-West issues, particularly on a test ban or disarmament. Bloc delegates at Geneva have recently indicated to Ambassador Dean that Moscow intends to stall on disarmament and nuclear testing. Rumanian delegate Macovescu told Dean on 14 December that the US should not expect "too much movement" at the conference "at least until early March." Tsarapkin went Macovescu one better when he told Dean on 17 December that it would be absolutely impossible for the USSR to agree to any of the West's proposals for inspection. Tsarapkin vaguely indicated that in about six months Moscow's position might change and that the Soviets might be more receptive at that time, but he was not specific.

Soviet propaganda treatment of other East-West issues also carries this sense of a diplomatic standstill. All talk of a Berlin settlement, from the East Germans as well as the Soviet Union, has been reduced to the status of a secondary theme. The implication is strong that the Soviet Union's primary concern is the upheaval in the Communist world. Equally strong is the impression that Moscow is uncertain of the best methods to deal with this growing problem.

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****SINO-INDIAN BORDER**

Diplomatic moves by members of the nonaligned group represented at the recent Colombo conference have enabled New Delhi and Peiping to avoid new initiatives and have served to prolong the cease-fire, now four weeks old. Each side, meanwhile, holds to its basic position on means for achieving a settlement.

Largely as a result of the efforts of the UAR's Ali Sabry, the Colombo conference proposals reportedly lean more toward the Indian than the Chinese position. The only withdrawals called for are Chinese. The proposals fall short, however, of denouncing Chinese "aggression" or of calling for restoration of the status quo on the border as of 8 September 1962.

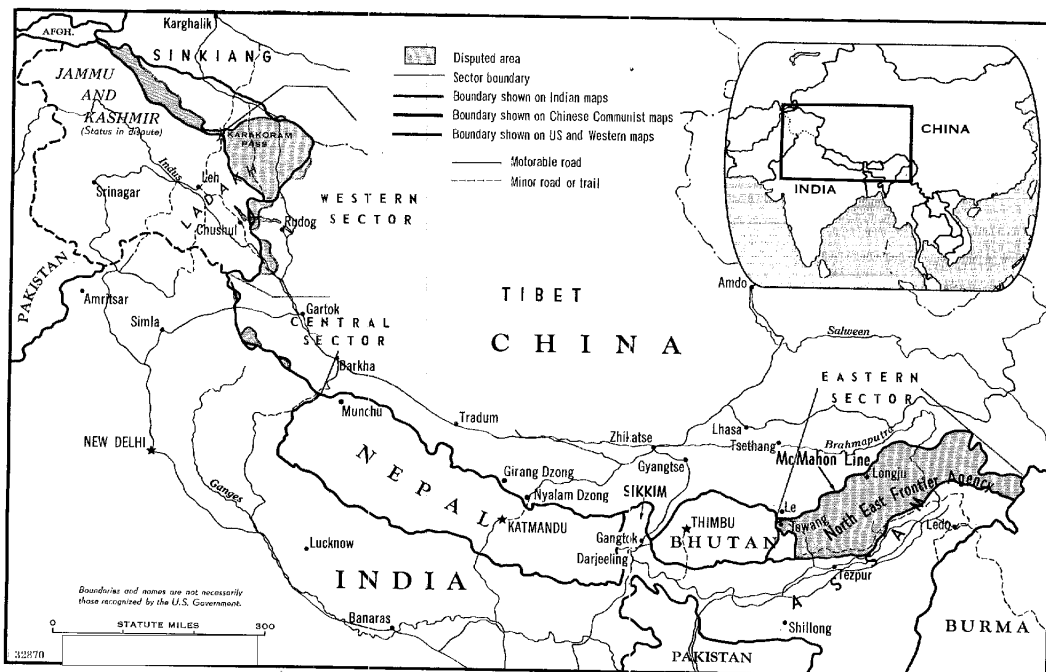
The conferees sought to build piecemeal upon the present cease-fire in hopes of creating a more stable situation in each sector of the border. Thus in the eastern sector they call for

India to return to the McMahon Line, while they dodge the fact that it was Peiping's and New Delhi's differing interpretations of that line which brought about the clashes beginning last September.

In the central sector--where no fighting took place this year--the conferees called for maintenance of the status quo, which here favors India. In the western sector, Ladakh, the conferees seem to be seeking to create a buffer zone through having the Chinese withdraw behind their present positions.

Ceylonese Prime Minister Bandaranaike will visit Peiping and New Delhi in early January to obtain official reactions to the conference proposals. She now is attempting to persuade leaders of the Colombo conference delegations to join her in talking with Chinese and Indian leaders.

Neither Peiping nor New Delhi is likely to reject the Colombo proposals out of hand.

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The Chinese may even accept the nonaligned nations' suggestions, alleging that by withdrawing Chinese forces they have been unilaterally implementing the conference's recommendations. Peiping is likely to urge that Mrs. Bandaranaike press New Delhi to show willingness to take "corresponding measures." The Chinese would readily exploit any adverse reaction from New Delhi in their continuing effort to isolate India from

the Colombo participants and other Afro-Asians.

The Chinese already have been using the breather afforded by the cease-fire and the Colombo gathering to contrast their own "reasonableness" with India's "provocations." Roving Deputy Foreign Minister Huang Chen has shuttled among the capitals of all Colombo participants explaining China's stand in the border conflict and he has just concluded a visit to Guinea.

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**CONGO DEVELOPMENTS**

Tshombé, under strong pressure from Belgian Foreign Minister Spaak and amid growing signs of UN and US impatience with his stalling, informed Secretary General Thant on 12 December that he would agree to a Belgian proposal that the Union Minière (UMHK) pass control of its foreign exchange earnings--some \$200 million--to the UN-controlled Monetary Council in Leopoldville.

Tshombé asked in return that the council first provide sufficient foreign exchange for UMHK, to operate its facilities in Katanga, and that the Katanga government receive 50 percent of the remainder, at least \$60 million a year. Tshombé also suggested that Katanga's share might have to be more, and asked written guarantees from the UN, the US, Britain, and Belgium. He also wants Leopoldville to proclaim a political amnesty and "honor" the 16 October cease-fire which it had repudiated. Tshombé may in addition call for concessions on the UN-drafted Congo constitution, which he has opposed.

The Leopoldville government's reaction has been extremely cautious.

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Adoula has expressed doubt that Leopoldville would benefit unless Congolese and Katangan customs and currencies are unified, and said he will ask UMHK for two years' back tax payments it has paid to Tshombé. UMHK and Katangan officials have received Tshombé's approval to proceed to Leopoldville to begin discussion with Adoula. UMHK officials have made it clear that their ability to follow through depends on Tshombé's approval.

The UN, meanwhile, is maintaining its pressure on Tshombé.

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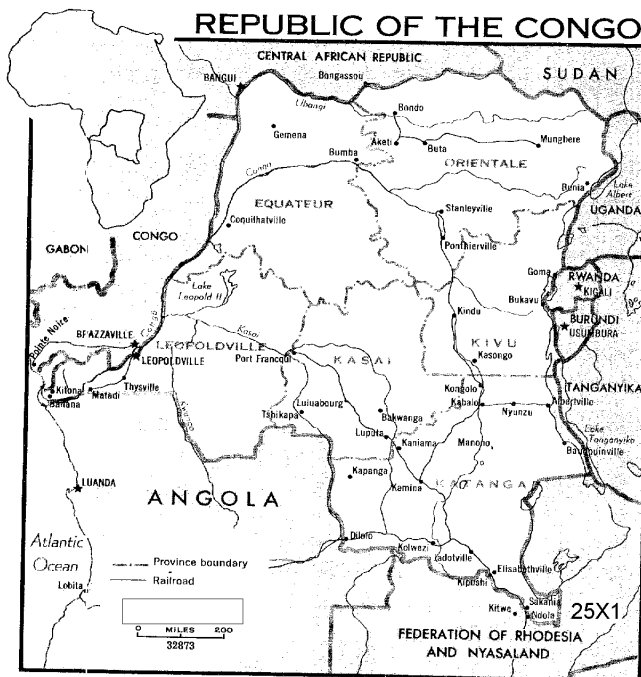
UN officials in the Congo have again called on Tshombé to implement the UN plan, have warned him to halt Katangan air attacks which "seriously and immediately" threaten clashes with the UN forces, have demanded freedom of movement for UN forces throughout Katanga, and have insisted that Katanga cooperate with the UN in removing mercenaries.

Thant has also pushed ahead with economic pressure by appealing for a copper and cobalt embargo against Katanga. He told the UN Congo Advisory Committee on 13 December that he would not use troops "at this stage" to enforce an embargo, but again referred to certain undefined "nonmilitary" measures--apparently the as yet undisclosed "17 steps" against Tshombé if he refuses to move forward. One such move might be to halt Katangan train traffic from Elisabethville if Tshombé persists in blockading UN supplies at Sakania and Dilolo on the Rhodesian and Angolan borders.

The UN is also assisting forces of the Congo National Army (ANC) to consolidate control in northern Katanga. Nigerian troops have been sent to Kongolo to help ANC forces there, and a new 1,800-man Indonesian force is scheduled to go to Albertville and Manono.

Some drastic changes in the size and composition of the UN military force are in prospect during the next month or two. New Delhi informed Thant this week that the Indian force of 5,700 men would leave beginning in late February and would not be replaced, and that 20 percent of its officers and non-coms would leave immediately. India has already withdrawn the last two planes of its Canberra bomber force.

The 1,000-man Tunisian force and the 700-man Irish battalion are also apparently scheduled to leave soon, and



some 600 men of the Malayan contingent departed last week. The only new UN troops in sight at the moment are the 1,800 Indonesians; Djakarta, however, now has offered another battalion, which Thant is trying to get to the Congo before mid-January. UN jet fighter strength is down to three operational Swedish J-29 jets, but four more J-29s will be available soon; four Italian and six Philippine F-86s are scheduled to come. If Thant takes military action, he is likely to do so before the UN force is crippled by withdrawals. Thant has indicated the UN would be at peak strength in a month.

In Leopoldville, parliamentary opposition to Adoula appears to be marking time, but is probably preparing new efforts.

Adoula and his supporters seem more and more convinced that, in order to stay in office, they will have to resort to force and dissolve parliament. Adoula is obviously reluctant to do this, however, and is still toying with the idea of taking selected opposition leaders into the government.

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****EUROPEAN SATELLITE ECONOMIC INTEGRATION**

The program for the integration of the East European satellite economies has been advanced by recent organizational developments and personnel assignments which have strengthened the program's institutional framework. The Council for Mutual Economic Assistance (CEMA) has formed an Executive Committee composed of deputy heads of government of the member states, a move aimed at assuring that CEMA recommendations receive adequate attention in each member state. In recent months, it appears, intra-bloc economic cooperation has been given increased political support in each participating country.

Measures for closer economic cooperation probably will be adopted by the current 17th council session and by the subsequent Executive Committee meeting. These measures probably will involve some diminution of national prerogatives in order to achieve the increased degree of economic cooperation to which these countries presumably are committed.

The first two meetings of the CEMA Executive Committee, held in July and September, established the outlines for increased economic cooperation. This committee has already formed a group to study financial and currency problems and approved proposals for further specialization in production of machine-building products.

The Polish Government committee responsible for supervision and coordination of foreign economic relations with both CEMA and other countries was strengthened during October

by the inclusion of representatives from all economic ministries. A committee has been created in Bulgaria to coordinate activities of internal ministries with CEMA.

Several members decided to free their CEMA representatives from their duties as chairmen of their respective state planning commissions so that they could concentrate on their CEMA responsibilities. This move--taken in Bulgaria, Czechoslovakia, East Germany, and the USSR--appears to represent an upgrading of CEMA's importance by these states. Soviet representation in the council remains on the level of deputy head of government.

Nearly all of the permanent commissions of CEMA have held meetings since June, and the decisions of these bodies appear to call for more determined action on plan coordination and specialization than heretofore. The Permanent Commission on Machine Building, for example, adopted recommendations in September on production specialization in several of its fields of responsibility. Many of the CEMA countries have discussed economic activities they will stress under CEMA plans for economic specialization.

Bilateral economic cooperation also has increased. During Ulbricht's state visit to Rumania in September agreement was reached to increase Rumanian - East German collaboration in chemicals, agriculture, machine building, and metallurgy, and the groundwork was laid for expansion of trade through 1965 and the coordination of economic relations until 1970. The communiqué issued

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****SELECTED CEMA DEVELOPMENTS IN RECENT MONTHS .**

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| <p>11 July Czechoslovakia's Simunek relieved as chairman, State Planning Commission, to concentrate on CEMA activities.</p> <p>12 July First CEMA Executive Committee meeting (10-12 July) approves principles of specialization in machine building.</p> <p>18 July USSR's V. Novikov relieved as Gosplan chairman to devote more time to CEMA activities.</p> <p>22 Aug East Germany orders consolidation of two industrial enterprises based on CEMA recommendation.</p> <p>24 Aug Khrushchev article in <u>Kommunist</u> outlines improved integration of bloc economies.</p> <p>14 Sep Simunek article in <u>Rude Pravo</u> outlines Czechoslovak agreement on economic cooperation with other CEMA countries.</p> <p>17 Sep Agreement on Polish-Czechoslovak joint truck production reported.</p> <p>18 Sep Bulgaria's Stanko Todorov outlines his country's role in CEMA.</p> <p>20 Sep Polish-East German communique at end of Ulbricht visit indicates agreement on bilateral economic collaboration and expansion of trade.</p> <p>25-28 Sep Second session CEMA Executive Committee stresses implementation of coordinated planning.</p> <p>27 Sep Todorov relieved as chairman of Bulgaria's State Planning Commission to concentrate on CEMA.</p> | <p>3 Oct K. Olszewski interview assesses Polish role in CEMA.</p> <p>2-6 Oct Czechoslovak-Polish Commission for Joint Production of Zetor Tractors meets in Warsaw.</p> <p>5 Oct Rumanian ambassador to USSR cites value of CEMA-Common Market cooperation.</p> <p>8-9 Oct Hungarian minister of light industry interviewed on CEMA cooperation.</p> <p>19 Oct Gomulka visit to East Germany ends with communique including steps taken to increase economic cooperation.</p> <p>12 Nov Ambassador Roberts reports his interview with Khrushchev.</p> <p>19 Nov Khrushchev report to Soviet party central committee plenum includes reference to CEMA organization.</p> <p>24 Nov Agenda of Rumanian central committee plenum includes report by CEMA representative Birladeanu on economic collaboration between Rumania and CEMA. Birladeanu elected alternate member of politburo.</p> <p>24 Nov V. Novikov released as deputy chairman, USSR Council of Ministers, and appointed a minister.</p> |
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• Does not include numerous meetings of CEMA commissions.

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after Gomulka's October visit to East Germany likewise contained agreement on bilateral economic cooperation in industry and on expansion of trade through 1965.

Recent remarks by Khrushchev, including his call in the Soviet periodical Kommunist for a new approach to CEMA integration, indicate that further organizational changes will be made. In a recent interview with the departing UK ambassador, Khrushchev stated that the Soviet Union's partners had strengthened CEMA, and that

they now were more ready for intra-bloc economic cooperation and integration than heretofore.

In recent Soviet statements the development of the Common Market continues to be used as an excuse for acceleration of CEMA's program. Khrushchev's 19 November speech to the Soviet party central committee plenum called for the creation of a joint planning organ staffed with representatives from all CEMA countries and empowered to formulate common plans--an essential step for any significant improvement in coordination of bloc economies.

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****PUBLIC HEALTH IN EAST GERMANY**

Dysentery and other infectious diseases may be more prevalent in East Germany during the next few months than in any recent winter as a result of inadequate public health and sanitation facilities, continuing dietary shortcomings, and a scarcity of qualified doctors.

The shortage of physicians has precluded prompt diagnosis and quarantine of infectious diseases. From 1954 through 1960, more than 4,300 doctors fled East Germany; hundreds more followed in 1961. Although some physicians have been imported from other European satellites, it is estimated that there now is only one doctor for approximately 1,300 East Germans, as compared with approximately one to 700 in West Germany.

This problem can be mitigated somewhat during epidemics by drafting medical students for preventive medical work, as was done in the April 1962 dysentery epidemic. The regime also has tightened its procedures for reporting and hospitalizing infectious diseases, with a view to reducing the chances for large-scale new outbreaks of dysentery.

The shortage of medicines complicates the difficulties of health authorities. Although there are ample supplies of effective medicines to treat dysentery and related diseases, the shortage of certain anti-

biotics increases the hazards of other communicable diseases which have epidemic potential, such as typhoid fever.

The primary cause for the present health problem is the apparent laxness in general sanitary measures. In April, the regime ordered the bacteriological examination of all food enterprises and usable water sources, but dysentery and other intestinal ailments have nevertheless recurred.

The caloric and bulk content of the East German diet has declined in the past year. In conjunction with other health factors, the reduced availability of high-protein foods such as meat and dairy products and citrus fruits has made the populace somewhat more susceptible to disease. Once a disease is contracted, the dietary shortcomings tend to prolong the normal recovery period. No improvement in meat supplies can be expected this winter.

The regime continues to rely heavily on quarantine, bans on nonessential travel, and disinfection measures to prevent the spread of infections. However, until sanitary controls are made more effective the outlook is for continued outbreaks of contagious diseases, along with a concomitant loss of industrial man-hours.

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****DEVELOPMENTS IN SOUTH VIETNAM**

Communist activity in South Vietnam recently has been characterized by more frequent use of larger units. In the past four weeks, there have been four battalion-size and 12 company-size Viet Cong attacks.

The Communists, however, continue to undertake primarily small-scale actions, and evidence is accumulating that shortages of food and medicine--compounded by government forays into former Viet Cong sanctuaries--are adversely affecting Viet Cong morale in the central highlands.

In addition, the Viet Cong may be obtaining less cooperation from peasants. Mountain tribesmen are continuing to flee in significant numbers to government-held territory. A recent broadcast by the Communist Liberation Front radio was devoted to weaknesses in food production and in the Front's "land policies."

Some equipment of bloc manufacture has been captured from Viet Cong forces in recent engagements. There is no substance to reports that brand-

new bloc mortars were found in an arms cache captured in central Vietnam, but various bloc-manufactured weapons--including one Chinese Communist 57-mm. recoilless rifle, two modified Chinese submachine-guns, grenades, mortar fuses and ammunition--were recovered from an unsuccessful Viet Cong attack in a northern province of South Vietnam on 25 November. These items probably were introduced by infiltrators from North Vietnam, who are believed to have formed the core of one of the two attacking battalions. There is still no evidence that the Viet Cong are receiving large-scale logistical support from North Vietnam. 25X1

There is considerable evidence of measures by the Viet Cong to centralize their military apparatus during the past year and a half. Two regional military commands--numbered 5 and 6--now reportedly exist in the northern 15 provinces of South Vietnam. These commands, as well as the entire Viet Cong military and political structure in South Vietnam, now are under the control of a central office in South Vietnam. 25X1

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****RACIAL POLARIZATION IN THE RHODESIAS**

Territorial elections in the past few weeks in Northern and Southern Rhodesia have placed the contest for political power between European settlers and Africans more starkly in the foreground.

**Northern Rhodesia**

The voting in Northern Rhodesia followed racial lines closely, and produced an African majority whose dominant figure probably will be moderate Kenneth Kaunda. His influence and that of the British colonial government should ease racial friction inside the territory.

Kaunda, whose United National Independence Party (UNIP) commands the allegiance of most Northern Rhodesian Africans, failed to obtain a majority in the complex territorial elections which took place on 30 October and 10 December. Subsequently, however, he worked out a coalition pact with Harry Nkumbula, whose small African National Congress holds the balance of power in the legislature.

Despite a concerted effort to appeal to the whites as a moderate party, UNIP attracted a negligible number of European votes in the election. Its principal opponent, the white-dominated United Federal Party (UFP), received almost no meaningful African support.

**Southern Rhodesia**

The sharply racial voting in Northern Rhodesia contributed to a surprise victory for the right-wing Rhodesian Front in the 14 December Southern Rhodesian elections. The prospect of a Northern Rhodesian government dominated by Kaunda, whom the whites consider a dangerous radical, helped lead the largely

European Southern Rhodesian electorate to repudiate the policy of gradual accommodation to African aspirations which has been advocated by Sir Edgar Whitehead, prime minister for the past four years.

The Rhodesian Front is led by Winston Field, a widely respected farmer-politician, but the cabinet that Field announced this week has had no experience in government or administration. Moreover, the Front has no real policy beyond maintenance of the status quo and a vague scheme of race relations based on South African apartheid. Southern Rhodesia probably will be ineptly governed in the next few months, and race relations are likely to deteriorate further and be marked by violent incidents.

**The Federation**

Another result of the elections is that each of the three constituent territories in the Federation of Rhodesia and Nyasaland now is dominated by a group committed to the Federation's dissolution.

Britain on 19 December formally conceded Nyasaland's right to secede from the Federation, notwithstanding federal Prime Minister Welensky's assertion that no such change could be made without his government's consent. With Welensky's UFP in opposition in each of the three territorial legislatures, his negotiating position is a weak one, and the dismantling of the federal structure is likely to begin at a conference early next year.

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****FRENCH POLITICAL SCENE**

The Gaullist Union for the New Republic (UNR) has moved quickly to monopolize the key positions in France's newly elected National Assembly. The non-Communist opposition is still badly disorganized, and the Communist Party (PCF) is taking advantage of the situation to press for joint action with the Socialists.

The UNR's control of the new National Assembly is evident in its dominance of the six National Assembly committees. It took 33 of the 45 seats, and gave nine others to its Independent Republican allies. Despite objections from non-Communist opposition parties, it also refused to permit PCF participation in the assembly steering group.

Elated by its election success, the UNR is again planning to build a party organization designed to survive De Gaulle. According to Jacques Baumel, a leading party spokesman, it will attempt to increase the number of its members in department, canton, and city administrations. It is already finding it difficult, however to get agreement on a coherent platform--especially as regards the UNR's position on economic and social reforms.

The government's program as set forth in statements by De Gaulle on 11 December and Premier Pompidou on 13 December covered the broad lines of French policy extending well beyond the present legislative session. De Gaulle, asserting that national solidarity has been reconfirmed by the election, re-emphasized his stand on the need for a national defense capability and on the important role France and Europe have to play in international affairs. Pompidou concentrated on France's economic strength, indicating the general outline of government plans for improved economic and social benefits and special provisions for depressed regions.

There is little evidence thus far that the democratic opposition parties are capable of burying past differences and regrouping. Two new Assembly groups have been formed: the Democratic Center, composed primarily of Popular Republicans Movement members, and the Democratic Assembly, made up mainly of Radical Socialists. In the election of the National Assembly president, where the PCF ran its own candidate, these two groups supported the Socialist candidate, but in the vote on the government's program, which the Socialists and Communists opposed, members of the other opposition parties generally abstained.

Meanwhile, the PCF continues to urge joint action with "the other republicans." Its deputy secretary general told a party conference that the Socialist Party need not favor French withdrawal from the Atlantic Pact as a condition for joint action with the PCF. 25X1

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****ITALIAN POLITICS**

Italian Premier Fanfani's center-left coalition is under increasing strain as campaigning gets under way for national elections next spring. Fanfani outmaneuvered some of the rightists in his own Christian Democratic Party with a minor cabinet reshuffle early this month. Party Secretary Moro is reported to have averted an attempt by Fanfani's rivals to topple the government last week. New threats to the cabinet may arise in mid-January, however, either from disgruntled Christian Democrats or from the Nenni Socialists, on whom the government depends for a parliamentary majority.

Fanfani's announcement of several minor cabinet changes on 1 December seemed mainly intended to appease President Segni--a Christian Democrat who is cool to the experiment in center-left government--by promoting one of his protégés to full cabinet rank. When the opposition neo-Fascists attempted to make a parliamentary issue of the matter, Fanfani called immediately for a vote of confidence and won sizable majorities in both houses. Continuing speculation over an early crisis, however, suggests that the cabinet's tenure remains precarious.

In anticipation of the elections, those Christian Democrats--including Segni--who on-

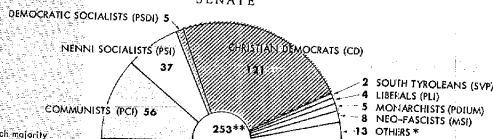
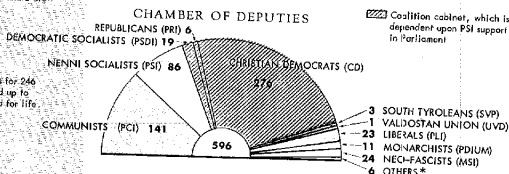
pose the present center-left experiment are increasing their private attacks on Fanfani and attempting to break up the alliance with Nenni. 25X1

At the same time, the minority left wing of Nenni's party is said to be pushing for legislation to which the government is committed by the center-left agreement. Right-wing Christian Democrats may succeed in stalling the legislation until the deadline for dissolving the existing parliament, 70 days before the election. If so, Nenni's left-wingers will probably make a useful campaign issue of their pressure on the government to implement the agreement. 25X1

Following a meeting on 30 November of the three coalition parties and their Nenni Socialist allies, Social Democratic leader Saragat predicted that the Nenni Socialists will demand early in January, under threat of bringing down the cabinet, that the government promise to push through before the elections all the legislation on the cabinet's bill creating regional administrations. A government crisis is not to be discounted, although leaders of all four parties pledged to the center-left experiment seem determined to keep the coalition together. 25X1 25X1

**ITALIAN PARLIAMENT**

NOVEMBER 1962

**SENATE****CHAMBER OF DEPUTIES**

\* Independents of which majority are rightists in the Senate, 8 are directly elected and 5 are ex officio.

\*\* Present law provides for 546 elected members and up to 7 members appointed for life.

Notes: Both Chambers recently passed a constitutional amendment to increase the number of directly elected Senators to 313 and the number of Deputies to what will be an established ceiling of 630. The law will not go into effect, however, until the amendment is passed for a second time by both Chambers after a 3-month waiting period after the first ballot.

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****THE SITUATION IN BRAZIL**

Hostility between the Goulart government in Brazil and its internal opponents appears to be increasing.

The army is evidently growing restless.

Officers of the navy, the most conservative of Brazil's armed services, are incensed over the government's decision to award Navy Medals of Merit to a group of civilians including Raul Ryff, a Communist who is Goulart's press secretary, and Governor Leonel Brizola, Goulart's anti-US brother-in-law. Some 50 naval officers have returned their Medals of Merit in protest.

The Goulart government is evidently attempting to undermine anti-Communist Governor Lacerda in Guanabara State. The distribution of emergency rice supplies to combat a rice shortage was assigned to the

First Army, under leftist General Alves, rather than the governor.

The stability of the Goulart administration appears to depend to a considerable extent on its ability to surmount an imminent financial crisis. Commercial arrears mounted to \$99.5 million as of 30 November --a sum which excludes \$35.4 million in a consolidated overdue petroleum account postponed to 1963. Brazil's official projection of its balance of payments deficit for 1963, even accepting certain optimistic assumptions, comes to \$450 million. Foreign exchange reserves now are almost exhausted, and the question of default appears likely to arise in January and March of 1963, when heavy capital outflow is scheduled.

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY****SPECIAL ARTICLES****RECENT TRENDS IN AFRICAN POLITICAL GROUPINGS**

In the most recent twists and turns of West African international politics, Guinea and Mali, members of the radical Casablanca group, have taken a more moderate attitude toward the West and have achieved a partial rapprochement with their French-speaking neighbors. These shifts have further weakened the Casablanca group, which never developed an effective interstate organization. By contrast, at least one of the moderate groupings, the French-speaking Afro-Malagasy Union, seems to be thriving. Maneuvering within and between the groups is likely to become even more intense with the approach of next spring's "summit conference" of African heads of state. Preparations for the conference are well under way.

**The Ideal of African Unity**

African politicians of all shades of opinion, from Ghana's Nkrumah and Mali's Keita to the Ivory Coast's Houphouet-Boigny, agree that some kind of larger grouping of African states is desirable. Seemingly insurmountable obstacles continue to crop up, however. Among the most difficult are the hypersensitivity of each leader to any move involving his own prestige, the widespread inability to handle economic concepts or administrative problems without outside help, and the incompatibility among the various national economies.

Regional groupings thus stay entirely on paper, like the Ghana-Guinea-Mali "union"; or they restrict themselves to pragmatic, mainly economic relationships between independent states, as in the Conseil de l'Entente, in which the Ivory

Coast plays a leading role. Purely political associations have tended to be especially unstable, changing membership or direction as new ideas occur to the various chiefs of state. As economic problems have bulked larger, there seems to be more inclination to look for material advantages in new and old associations.

**The Apostasy of Mali and Guinea**

Economic considerations have been the main factors behind the shift of Mali and Guinea toward less radical neutralism, although political factors also played a part, particularly in Guinea. Both states are in serious economic difficulties, partly because of their basic poverty and administrative shortcomings, partly because Sino-Soviet bloc aid has not met their expectations, but also because aid from France was sharply curtailed after they became independent.

The French provide massive budgetary support, developmental aid, and currency backing for most of their former colonies, many of which could not otherwise support a "modern" political structure. In their eagerness to become fully "independent," however, the Touré and Keita regimes lost or gave up many of these benefits. Guinea has received no aid from France since it became independent in 1958. Mali, whose break with France was neither so abrupt nor so complete as Guinea's had been, continued to receive assistance, but at reduced levels; its budget apparently has received no French support since independence in 1960.

The Malians aggravated their worsening finances last July,

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**

Boigny of the Ivory Coast, his political mentor in colonial days.

Guinea's new policy involves more than a simple shift to the right, for Touré is attempting to bridge the gap between radical and moderate African groupings. This effort involves taking a less doctrinaire approach to questions of African unity than Nkrumah, for instance, is willing to countenance. Since Houphouët-Boigny is a dominant figure in moderate African circles, it also involves the re-establishment of ties with him which were broken at the same time as Touré's break with France. Guinea's Casablanca partners still regard Houphouët as a French stooge, however, and Touré's relations with them have cooled markedly, while a recent tour of Guinea by the Ivory Coast leader was practically a continuous love-feast.

Touré is also moving cautiously closer to France, mainly for economic reasons similar to Mali's. Preliminary negotiations to settle several financial questions which have been unresolved since 1958 got under way last month, and France apparently will give the Guineans some technical assistance.

#### Casablanca Group Problems

The policy shifts of Guinea and Mali have further undermined the already weakened structure of the Casablanca group. This association was set up in January 1961, under the catalyzing influence of the Congo crisis. Since those members of the group which were most interested in the Congo have largely withdrawn from operations there, the divergencies in the group have begun to overshadow common interests.

The six states involved--Ghana, Guinea, Mali, Morocco,

Algeria, and the UAR--although all once "colonies," have radically different political and cultural heritages; each has a differently based currency and few have significant economic relations; and most of the leaders have been mainly interested in using the association to augment their own prestige. Since the first meeting, Nasir's interest has shifted largely away from Africa, Algeria has been preoccupied with the problems of independence, and Nkrumah's attention has centered more and more on domestic politics and his personal safety.

Morocco has been left the most consistent supporter of Casablanca activities--and not a very active one at that. Thami Ouazzani, the group's Moroccan secretary general, has had to spend much of his time trying to wheedle funds and personnel out of the member states.

The grand projects which were the hallmark of the Casablanca approach to African unity have never materialized. The "African High Command" still exists almost entirely on paper.

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The main loser in the decline of the Casablanca group is Nkrumah, who now is almost completely isolated from his former associates as well as from the more moderate leaders. The latter apparently still hope that he can be won over to their more pragmatic, less grandiose approach, and they go out of their way not to offend him. At the moment his relations with neighboring governments are at a low point, although he retains a following among young radicals in most countries.

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**SECRET****CURRENT INTELLIGENCE WEEKLY SUMMARY**The "Moderate" Africans

Some of the interstate institutions organized by the moderate Africans, on the other hand, appear to be growing in prestige. The Monrovia group, set up in May 1961 at President Tubman's initiative to offset the Casablanca powers' propaganda, has been only intermittently effective. In its "Lagos Charter," however, it has embodied the most ambitious effort of sub-Saharan African moderates to bridge the gap between states with varying cultural and colonial heritages. This document may be on the agenda of the general meeting of African heads of state next spring.

The Afro-Malagasy Union (UAM), however, is gradually developing into a relatively useful instrument for political, economic, and military cooperation. Its relative success is due largely to substantial French administrative and financial help, a common heritage of French culture among the elite, and the --to Africans--inspiring figure of De Gaulle as a unifying symbol.

The UAM is even attracting the attention of West Africans outside the French orbit. This is the case particularly because Nigeria, the natural leader of the English-speaking moderates, is preoccupied with internal problems. Consideration apparently is being given to a customs union among the Ivory Coast, Liberia, and Sierra Leone, for example

Outlook

The theme of African unity will be more than ever in the air in the next few months as the "summit conference" of African heads of state approaches. This meeting, scheduled to open in Addis Ababa in April, will probably be preceded by other conferences designed to establish the positions of the various groups.

Debate over regional groupings will also be stimulated as the European Economic Community (EEC) works out a policy toward its African associates, and as EEC negotiations with Britain progress. The question of association with EEC has split the Casablanca group, with Mali retaining its EEC ties and Guinea remaining noncommittal. Moreover, Nigeria's decision not to apply for EEC association has led Sierra Leone, which previously took its cue from Nigerian foreign policy, to look to its immediate neighbors and to Europe for new economic ties.

The rise of the African moderates can be interrupted by any of several events--the emergence of a new issue around which the radicals can coalesce, a reduction in French aid, or the death of Houphouet-Boigny or De Gaulle, for instance. Moreover, the nature of the moderate grouping itself must change to some extent if partially reformed radicals such as Guinea and Mali are to be fully accommodated. Further adjustments in patterns of relationships are thus likely.

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